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3 September 1965

MEMORANDUM FOR: Economic Intelligence Committee

SUBJECT: Annual Report of the EIC Subcommittee on Minerals  
and Metals for FY 1965

A. Activities of the Subcommittee During Fiscal Year 1965

1. Review of the Intelligence Product in the Subcommittee's  
Field of Competence

During FY 1965 no meetings of the Subcommittee were held. However, there was a significant amount of informal communication and coordination between committee members and between other representatives of the participating agencies on problems in the minerals and metals field.

2. Research and Collection Deficiencies

The Subcommittee again notes the scarcity of information on the minerals and metals industry in Communist China, in particular information which would explain the decline in Chinese exports of tin, antimony, and tungsten.

3. Review of Substantive Papers

The Subcommittee did not review any substantive papers during FY 1965. However, review and coordination of estimates continued on a bilateral basis, in particular between the US Bureau of Mines and CIA regarding production of gold in the USSR.

4. Review of Proposals for External Research

None

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GROUP I Excluded from automatic downgrading and
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5. Maintenance of Agreed Basic Statistics

The 1965 issue of the Economic Intelligence Statistical Handbook contains CIA estimates of Communist World production of the following minerals and metals:

Metallurgical coke  
Crude steel  
Pig iron and blast-furnace  
ferroalloys  
Rolled steel  
Iron ore  
Manganese ore  
Refined nickel  
Chromite  
Molybdenum  
Cobalt  
Tungsten ore

Refined copper  
Primary aluminum  
Bauxite  
Smelter production of lead  
Refined zinc  
Smelter production of primary  
tin metal  
Primary magnesium  
Titanium sponge metal  
Gold (Soviet production and holdings,  
Metallurgical equipment

Subcommittee members have been asked to review these estimates upon receipt of the Handbook.

6. Projects Undertaken at the Request of the EIC or Proposed to the EIC

None

7. Intelligence Research Techniques

Nothing to report

8. Special Coordination Functions of the Subcommittee

None

9. Evaluation of the Role of the Subcommittee

The Department of Defense has recommended that a number of EIC Subcommittees, including the Minerals and Metals Subcommittee, be abolished on the grounds that meetings are infrequent and other means are available for effecting coordination within the Intelligence Community. The Subcommittee concurs in this recommendation.

B. Future Program of the Subcommittee

Uncertain

Special Assistant, Research and Reports  
THERU : Chief, Economic Research Area  
THERU : Chief, Resources and Industries Division  
          Chief, Minerals and Metals Branch

15 June 1965

**KIC Subcommittee on Minerals and Metals**

1. I understand DOD has recommended that the Minerals and Metals Subcommittee be abolished on the grounds that meetings are infrequent and other means are available for effecting coordination, within the Community, of intelligence estimates on the minerals and metals industries in Communist countries.
2. The Minerals and Metals Subcommittee has not met since October 1960 because no need has arisen for multilateral discussion or coordination. The only other agency in the US Government publishing estimates on minerals and metals in Communist countries is the Bureau of Mines and our efforts to get the Bureau to accept our estimates of Soviet gold production have been carried on bilaterally outside the KIC Structure.
3. In our dealings with other agencies we are, for the most part, the producers and they are the consumers, and again it is a bilateral contact. We provide regular support to various units in State and Commerce and occasional support to DOD and other agencies.
4. The abolition of the Subcommittee would in no way hamper our activities and I think the DOD recommendation should be adopted.

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